

§ 801.2

26 CFR Ch. I (4–1–11 Edition)

§ 801.2 Measuring organizational performance.

The performance measures that comprise the balanced measurement system will, to the maximum extent possible, be stated in objective, quantifiable, and measurable terms and will be used to measure the overall performance of various operational units within the IRS. In addition to implementing the requirements of the Act, the measures described here will, where appropriate, be used in establishing performance goals and making performance evaluations established, *inter alia*, under Division E, National Defense Authorization Act for Fiscal Year 1996 (the Clinger-Cohen Act of 1996)(Public Law 104–106, 110 Stat. 186, 679); the Government Performance and Results Act of 1993 (Public Law 103–62, 107 Stat. 285); and the Chief Financial Officers Act of 1990 (Public Law 101–576, 108 Stat. 2838). Thus, organizational measures of customer satisfaction, employee satisfaction, and business results (including quality and quantity measures as described in § 801.6T) may be used to evaluate the performance of or to impose or suggest production goals for, any organizational unit.

[T.D. 9227, 70 FR 60215, Oct. 17, 2005. Redesignated and amended by T.D. 9426, 73 FR 60628, Oct. 14, 2008]

§ 801.3 Measuring employee performance.

(a) *In general.* All employees of the IRS will be evaluated according to the critical elements and standards or such other performance criteria as may be established for their positions. In accordance with the requirements of 5 U.S.C. 4312, 4313, and 9508 and section 1201 of the Act, the performance criteria for each position as are appropriate to that position, will be composed of elements that support the organizational measures of Customer Satisfaction, Employee Satisfaction, and Business Results; however, such organizational measures will not directly determine the evaluation of individual employees.

(b) *Fair and equitable treatment of taxpayers.* In addition to all other criteria required to be used in the evaluation of employee performance, all employees of the IRS will be evaluated on whether

they provided fair and equitable treatment to taxpayers.

(c) *Senior Executive Service and special positions.* Employees in the Senior Executive Service will be rated in accordance with the requirements of 5 U.S.C. 4312 and 4313 and employees selected to fill positions under 5 U.S.C. 9503 will be evaluated pursuant to workplans, employment agreements, performance agreements, or similar documents entered into between the IRS and the employee.

(d) *General workforce.* The performance evaluation system for all other employees will—

(1) Establish one or more retention standards for each employee related to the work of the employee and expressed in terms of individual performance;

(2) Require periodic determinations of whether each employee meets or does not meet the employee's established retention standards;

(3) Require that action be taken in accordance with applicable laws and regulations, with respect to employees whose performance does not meet the established retention standards;

(4) Establish goals or objectives for individual performance consistent with the IRS's performance planning procedures;

(5) Use such goals and objectives to make performance distinctions among employees or groups of employees; and

(6) Use performance assessments as a basis for granting employee awards, adjusting an employee's rate of basic pay, and other appropriate personnel actions, in accordance with applicable laws and regulations.

(e) *Limitations.* (1) No employee of the IRS may use records of tax enforcement results (as described in § 801.6) to evaluate any other employee or to impose or suggest production quotas or goals for any employee.

(i) For purposes of the limitation contained in this paragraph (e), *employee* has the meaning as defined in 5 U.S.C. 2105(a).

(ii) For purposes of the limitation contained in this paragraph (e), *evaluate* includes any process used to appraise or measure an employee's performance for purposes of providing the following: